

JOHNSON BOARD OF CIVIL AUTHORITY
ABATEMENT HEARING MINUTES
REMOTE PARTICIPATION VIA ZOOM TELECONFERENCING
WEDNESDAY, OCTOBER 28, 2020

Present:

Board of Abatement Members: Kyle Nuse, Eric Osgood, Michael Dunham, Jan Gearhart, Rosemary Audibert, Jan Perkins, Margo Warden

Others: Michael Lazar, Robin Chapman, Sophia Berard, Raven Pfaff, Jasmine Yuris, Jackie Stanton, Eric Hutchins, Diane Lehouiller, Cal Stanton, Steve Hatfield

Note: All votes taken are unanimous unless otherwise noted.

Meeting recorded by Green Mountain Access Television. GMATV info: <https://greenmountainaccess.tv/>; PO Box 581, Hyde Park, 05655; info@greenmountainaccess.tv or 802-851-1592

Eric called the hearing to order at 7:04.

Rosemary swore in the BCA members.

Eric asked assessor Robin Chapman to fill in the BCA. Robin said Michael Lazar is the owner of AG Self Storage. He didn't receive the pamphlet that was mailed after the reappraisal was done. He spoke to her in July after asking Rosemary about his tax rate and realizing his assessment had changed. She went over his assessment with him. It had significantly changed because in 2018 the assessors were using 2010 costs. At that time she was being consistent with what the town had done in the past. She used a residential database. The town didn't have a business database. She did it as "storage units light commercial." When experts came in from NEMRC, they called it a mini warehouse which is what they use for these types of properties. Michael did not get a chance to grieve because he did not get the pamphlet. (Though she believes he may have gotten it and discarded it because it looked like a catalog.) We can't let him grieve at this point because we have to follow state statute. The appraisal pamphlets were all mailed on May 22. The assessors held informational hearings on June 1, 2 and 3 and on June 8, 9 and 10 they had grievance hearings. If you do not follow through with a grievance hearing no changes can be made unless there is an error. She knows Michael feels there is an error. She has spoken to him multiple times. She couldn't change anything for him due to statute.

Bari Gladstone joined the meeting at 7:12 and Rosemary swore her in.

Michael Lazar said in his September 25 letter to Brian he pretty clearly articulated his thoughts and the facts as he understood them. This morning he sent a summary list of comparable land and buildings. There is a statute that says that unless the personal notices were sent by registered or certified mail or a certificate was obtained it shall be assumed that the personal notices were not mailed as required. He didn't get the pamphlet. Under that statute he is presumed to be honestly conveying that he didn't get it. He thinks he should have gotten an opportunity to grieve. He was shocked that the new assessment almost doubled his taxes. The lister card had no specificity as to why it doubled except that the assessor assigned a value of \$32/sq. ft. to his space. He hasn't been able to get NEMRC to reconsider.

He has a 3.7 acre piece of land but he is only allowed to build on one acre because it is in a floodplain. They charged him \$110K for that one acre. Johnson Hardware has 18 acres of usable land and a house and he is charged \$104K. Ithiel Falls Storage has 3.2 acres and they are charged \$53K. Parker and Stearns has 4.72 acres and they are charged \$108K. Laraway has 48 acres and they are charged \$104K. Nicholas Anger has about an acre and is charged \$33K. The land values don't make sense but he finds the building values even more stunning. He has essentially a shed. It doesn't have heat, water, electricity, septic, gas or insulation. It's just a metal building. The value was raised from \$230K to \$471K – from \$16 per foot to \$32 per foot. The Johnson store is assessed at \$16/ft. Ithiel Falls Storage, a comparable storage facility, is assessed at \$9/ft. Fox Hill Storage in Jeffersonville, a comparable facility, is assessed at \$13.75/ft. He has a brand new facility in Hartford. The buildings are taller and it is paved. That facility is assessed at \$15.38/ft. Parker and Stearns has a mix of buildings, some with electricity, gas, heat and insulation and some that are open storage. They are assessed at \$8.72/ft. Laraway farm has a heated storage building assessed at \$13/ft. If you include all the finished buildings at Laraway they are assessed at \$26/ft – less than his shed. Nicholas Anger has a garage for storage with heat, etc. assessed at \$17/ft. While Ed Clodfelter of NEMRC may have a national basis for self storage, it is not applicable in Johnson and probably not in Vermont. He thinks his assessment is completely inappropriate and unfair.

Eric noted that the abatement request form Michael submitted gives the reason for his request as manifest error or mistake by the listers. Michael agreed. He feels the assessment is incorrect and unfounded.

Eric said the town has the state statute Michael quoted, the comparables he sent, a certificate of bulk mailing for the town assessed values, and Michael's September 25 letter to Brian.

Robin said Michael had said he doesn't have any electric, but she believes there is an automated office. Michael said he is taxed for 14,700 ft. He does have a 100 sq. ft building with electric.

Robin said, regarding the land value, commercial is done at twice the rate of residential for obvious reasons. It is an income property. He actually paid \$140K for that acreage. She has a hard time with the land assessment being lowered because it is a commercial property. She understands it is in the floodplain but there are other commercial properties that are graded that way that are also in the floodplain, like the Pomerleau property where Sterling Market is. The assessment was done as a cost approach. When the cost approach is done, it is done on the buildings. Michael is combining everything and giving a per square foot charge. That is not the way it works. There are four individual buildings. Each building is costed and the larger a building is the less it is per square foot.

Michael said the difference between his smallest building and his largest building was only \$4 per sq. ft. He feels in aggregate you really need to look at a per square foot charge. When he bought his property, \$40K of the price was for a secured and approved Act 250 permit. And independent of whatever he paid for it, if there is 18 acres of commercial land across the street assessed for less than his one acre, that doesn't make sense.

Robin said when you have commercial properties and use the cost approach and it comes out high, the appellant can come in with income and expenses. That is what she suggests Michael do next year.

Mike Dunham asked how many units Michael has. Michael said there are 110. Mike asked if they are all full. Michael said no, but they are close to full, more than three-quarters.

Mike asked what the rate per month is for the biggest unit. Michael said it is \$250 per month for a 10 ft. x 30 ft. unit and he has 4 of them.

Bari Gladstone said there seem to be two issues. One is the time frame and the other is grieving the assessment. If he didn't make the time limit then grieving it is not something we can act on. Eric said that is true. He would have that discussion next June. The power we have is to abate if we feel it was in error.

Michael said he believes in early July when he brought this up to Robin, Ed Clodfelter could have reconsidered and reviewed it at that point. The designated time frame had passed but he believes Ed had the ability to review it but chose not to. Eric said that is not relevant tonight.

Margo moved to enter executive session to deliberate and the motion was seconded.

Eric said he expects the BCA will come to a decision tonight and send out a written notification.

Michael said he feels it would be reasonable for him to pay the tax bill from Robin's previous assessment.

Brian suggested inviting him into the deliberations to provide technical support. Margo and the seconder accepted the friendly amendment to invite Brian to remain. The motion was passed and the BNC entered executive session at 7:30. The BCA came out of executive session at 8:15.

Mike moved to adjourn, the motion was seconded and passed and the hearing was adjourned at 8:15.

Minutes submitted by Donna Griffiths